

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 485 - HB 805

March 7, 2019

SUMMARY OF BILL: Expands the definition of “sport or recreational equipment,” to include equipment designed for use in electronic sports, or “esports,” thereby clarifying that sales of such equipment, during the annual sales tax holiday, remain non-exempt from application of state and local sales and use tax.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Pursuant to Tenn. Code Ann. § 67-6-393, the following is exempt from the state and local sales and use tax during the annual sales tax holiday: clothing, school supplies, and school art supplies, with a sales price of \$100 or less per any such item; and computers with a sales price of \$1,500 or less per item.
- Sport or recreational equipment are included on the list of items which are not exempt from state and local sales and use tax during the annual sales tax holiday weekend.
- Therefore, currently, sales of such equipment are subject to state and local sales and use tax at all times of the year.
- Clarifying that such equipment includes equipment designed for use in electronic sports will have no impact on state and local revenue as electronic sports equipment is assumed not to be exempt from the tax during the annual sales tax holiday under current law.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner".

Krista Lee Carsner, Executive Director

/jdb

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